3228 Buckhorn Ct.
Ann Arbor, MI 48105

August 18, 2015

Michigan Senate
Lansing, Michigan

Dear Senators:

Thank you for taking the time to review my testimony. I am writing regarding the net metering portion of SB-438. I'm sure you will receive a great deal of communication regarding this issue so I will be as concise as possible.

Three years ago we invested in a grid-tie solar system for our home. This system provides approximately 90% of our electricity on average annually. This is something I have always wanted to do. My primary interest in proceeding with solar was to reduce our environmental footprint. With recent advances, cost reductions, and incentive programs it was finally a feasible thing to do.

I understand the concept of incentive programs and how they are used as a temporary measure to help get a technology off the ground and ultimately result in a reduced product cost leading to self-sustainability. In the case of net metering, for grid tie solar systems this is an operational requirement to having a solar system that is grid interactive. Grid tie systems are the most cost effective method of utilizing solar. It eliminates the need for batteries and the inefficiencies they introduce, not to mention cost.

My references to SB-438 are taken from the following link:

https://www.legislature.mi.gov/documents/2015-2016/billintroduced/Senate/pdf/2015-SIB-0438.pdf

Two major concerns I have with SB-438 pertaining to net metering (as presented in the above link) are two-fold. First, the wording is not clear. I do not fully understand how to interpret it. In talking with industry experts, they have also expressed confusion. Second, it seems to imply that I can be billed for power I generate from my solar panels that goes directly into my household appliances at that moment in time (real-time use). I understand being billed for power I purchase from the grid during moments of solar system energy shortfall (for example overnight), but to be billed for power generated during times of energy production for power I am utilizing at that moment in time is entirely unfair. The best analogy I can come up with is as follows: I plant an apple tree. When I want an apple, I should be able to go to the tree and pick my own at will. It appears under this bill that I would have to pay the local market to pick and eat my own apples!

The above concern is based on page 75 line 11 through page 76 line 10. The first sentence can be interpreted two ways:

11 A CUSTOMER PARTICIPATING IN
12 THE DISTRIBUTED GENERATION PROGRAM SHALL PURCHASE ALL OF THE
13 ELECTRICITY THE CUSTOMER CONSUMES FROM THE ELECTRIC UTILITY OR
14 ALTERNATIVE ELECTRIC SUPPLIER AT THE APPLICABLE RETAIL ELECTRICITY
15 RATES AND CHARGES.

I see the following potential interpretations of the above statement:

1) I must pay the utility for all electricity my house uses regardless of its generating source (solar or the utility).
2) I must pay the utility for all electricity I import from the utility due to the inability of my solar to meet the demand at that time. I would expect to do so.

The language that follows the above sentence is also vague and difficult to follow.

I understand that under net metering we deal with inflow and outflow charges. I further understand why utilities have concerns about buying and selling energy at retail rates. This is a different matter than energy being generated and used by our household real time. Real time use of energy generated AND utilized at that moment in time is not utilizing the grid resources and should not be billed by the utility (they don't own my solar system). When it comes to the differences in outflow (selling excess energy to the utility) and inflow (buying energy from the utility) I think some common ground can be found in the form of billing that is fair to both the utility and solar owners.

Please give serious consideration to clarifying the language of this portion of the bill and also work to find a solution that is fair to both the utility and solar owners. Billing for energy that is not inflow is, in my opinion, very unfair to us solar owners. If this happens, I would likely invest in batteries and a standby supplemental generator and disconnect from the gird altogether. This would be a lose-lose situation. I would spend more, and the utility won't get a dime. I think many other solar owners would consider doing the same.

Thank you again for your consideration to this matter.

Sincerely,
Brian Charnetski